



Gary A. Brown
President Pro Tem
Detroit City Council



STATEMENT OF DETROIT CITY COUNCIL PRESIDENT PRO TEM GARY A. BROWN REGARDING “YES” VOTE ON THE RESOLUTION APPROVING A RENAISSANCE ZONE FOR THE DETROIT MEDICAL CENTER (DMC) MAIN CAMPUS

April 22, 2010

Today, I voted “yes” on the ordinance for a 15-year Renaissance Zone for Detroit Medical Center (DMC). Vanguard Health has a letter of intent to purchase the DMC by June 1 and invest \$850 Million over the next five years based on a Renaissance Zone approval. After this purchase announcement was made last month, I performed fact-finding and researched the community impact of other similar hospital system purchases.

The Renaissance Zone is for the main DMC campus in Midtown Detroit and it does not encompass other properties. My decision is based on the overall impact this agreement will have on jobs and future tax revenues.

My major concern has been the impact on jobs. Vanguard and the DMC answered all my questions – they committed to retain the same number of employees for the next few years and will likely increase healthcare jobs following its infrastructure investment.

Vanguard has committed to 5,000 construction jobs over a five-year period with at least 25% of those being Detroit-based contractors and citizens. As a result, the City of Detroit will receive increased income tax revenue. This partnership with Vanguard is a win for citizens, a win for DMC, and a win for hospital patients.

Additionally, as a new for-profit entity, the City of Detroit will receive property tax income from Vanguard/DMC for the Sinai-Grace Hospital property.

I was impressed with Vanguard’s investment in San Antonio, Texas. Since purchasing the Southern Baptist Health System seven years ago, Vanguard has hired hundreds of additional staff, created model health programs, and invested a total of \$450 Million in its hospitals and philanthropic initiatives which was far beyond their original commitment.

The public contributions to the non-profit DMC will be transferred to a new foundation. This foundation will continue to accept contributions to support Children’s Hospital of Michigan, Detroit Receiving services for the under-insured, medical research, and other philanthropic services. Vanguard Health has made a commitment to provide under-insured patient services (charity care) at Detroit Receiving for at least the next 10 years. In San Antonio, Vanguard increased free health services by opening the Faith Family Health Clinic.

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STATEMENT OF DETROIT CITY COUNCIL PRESIDENT PRO TEM GARY A. BROWN REGARDING “YES” VOTE ON THE RESOLUTION APPROVING A RENAISSANCE ZONE FOR THE DETROIT MEDICAL CENTER (DMC) MAIN CAMPUS (continued)

Additionally, I was pleased to hear that Vanguard will continue to support the current DMC relationship with Wayne State University’s Medical School and likely increase involvement in medical education. Again, to reference the San Antonio-based hospital system, Vanguard infused \$3.5 million to support medical education.

I applaud DMC’s executives and the board for seeking a proven partner in Vanguard Health to improve its facilities, quality of care, provide more stability, and increase jobs. This action will ultimately benefit Detroiters as well as our suburban neighbors.

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